

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re PONDEROSA-STATE ENERGY, LLC
Debtor

Case No. 19-13011
Reporting Period: 11/1/2019 - 11/30/2019

Federal Tax I.D. # 82-1361694

CORPORATE MONTHLY OPERATING REPORT

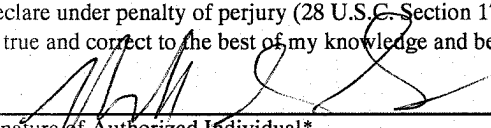
File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Y	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	Y	
Copies of bank statements			
Cash disbursements journals			
Statement of Operations	<u>MOR-2</u>	Y	
Balance Sheet	<u>MOR-3</u>	Y	
Status of Post-petition Taxes	<u>MOR-4</u>	Y	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	Y	
Listing of Aged Accounts Payable			
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Y	
Taxes Reconciliation and Aging	<u>MOR-5</u>	Y	
Payments to Insiders and Professional	<u>MOR-6</u>	Y	
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>	Y	
Debtor Questionnaire	<u>MOR-7</u>	Y	

The amounts set forth in this monthly operating report include funds maintained and transferred by Kent Ries. As the Debtor does not have direct control over these amounts, the amounts are estimated in this monthly operating report.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.


Signature of Authorized Individual*

Date 12/20/19

RICHARD SANDS, MANAGER

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

BANK ACCOUNTS						
ACCOUNT NUMBER (LAST 4)	DIP OPERATING 6610	DIP DISPUTED WI 6629	DIP ROYALTY 6637	PRE-PETITION Sig Checking 9516	PRE-PETITION WA Federal 5673	CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
CASH BEGINNING OF MONTH	57,573.20	-	-	-	-	57,573.20
RECEIPTS						
CASH SALES						-
ACCOUNTS RECEIVABLE - PREPETITION						-
ACCOUNTS RECEIVABLE - POSTPETITION	9,025.28					9,025.28
LOANS AND ADVANCES						-
SALE OF ASSETS						-
REIMBURSEMENT	13,995.61					13,995.61
TRANSFERS (FROM PRE-PETITION)						-
TRANSFERS (FROM DIP ACCTS)						-
TOTAL RECEIPTS	23,020.89	-	-	-	-	23,020.89
DISBURSEMENTS						
NET PAYROLL						-
PAYROLL TAXES						-
SALES, USE, & OTHER TAXES						-
LEASE OPERATING EXPENSES	31,566.66					
INVENTORY PURCHASES						-
SECURED/ RENTAL/ LEASES	12,951.57					12,951.57
INSURANCE						-
ADMINISTRATIVE	14,148.83					14,148.83
SELLING						-
OTHER (ATTACH LIST)						-
OWNER DRAW *						-
TRANSFERS (TO DIP ACCTS)						-
PROFESSIONAL FEES						-
U.S. TRUSTEE QUARTERLY FEES						-
COURT COSTS						-
TOTAL DISBURSEMENTS	58,667.06	-	-	-	-	58,667.06
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(35,646.17)	-	-	-	-	(35,646.17)
CASH - END OF MONTH	21,927.03	-	-	-	-	21,927.03

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	(58,667.06)
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	-
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	(58,667.06)

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BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.
(Bank account numbers may be redacted to last four numbers.)

	DIP OPERATING 6610 #6610	DIP DISPUTED WI 6629 #6629	DIP ROYALTY 6637 #6637	PRE-PETITION Sig Checking 9516 #9516	PRE-PETITION WA Federal 5673 #5673
BALANCE PER BOOKS	21,927.03	-	-	-	-
BANK BALANCE	21,927.03	-	-	-	-
(+) DEPOSITS IN TRANSIT (<i>ATTACH LIST</i>)	-	-	-	-	-
(-) OUTSTANDING CHECKS (<i>ATTACH LIST</i>):	-	-	-	-	-
OTHER (<i>ATTACH EXPLANATION</i>)	-	-	-	-	-
ADJUSTED BANK BALANCE *	21,927.03	-	-	-	-

*"Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Date	Amount	Date	Amount
CHECKS OUTSTANDING	Ck. #	Amount	Ck. #	Amount

OTHER

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STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an **accrual** basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH	CUMULATIVE -FILING TO DATE
Gross Revenues	95,512.80	124,554.37
Less: Fees and Taxes withheld	(27,819.57)	(37,334.93)
Net Revenue	67,693.23	87,219.44
COST OF GOODS SOLD		
Beginning Inventory	20,020.00	-
Ending Inventory *	-	-
OPERATING EXPENSES		
FIELD LEASE OPERATING EXPENSES	49,128.75	93,827.24
Insurance		
Management Services	4,340.00	9,000.00
Office Expense	-	-
Rent and Lease Expense	-	-
Taxes - Paid from Restricted cash	-	204,657.26
Other		
Total Operating Expenses Before Depreciation	53,468.75	307,484.50
Depreciation/Depletion/Amortization	4,258.43	4,444.78
Net Profit (Loss) Before Other Income & Expenses	9,966.05	(224,709.84)
OTHER INCOME AND EXPENSES		
Interest Income and Bank Fees	39.33	255.31
Interest Expense	2,901.75	9,017.21
Line of Credit OID fee - for Accrual purposes	1,458.33	1,458.33
Lender Legal Fees	-	40,238.84
Net Profit (Loss) Before Reorganization Items	5,645.30	(275,168.91)
REORGANIZATION ITEMS		
Professional Fees *	75,000.00	190,000.00
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 (<i>see continuation sheet</i>)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses *	16,329.24	23,829.24
Total Reorganization Expenses	91,329.24	213,829.24
Income Taxes		
Net Profit (Loss)	(85,683.94)	(488,998.15)

*"Insider" is defined in 11 U.S.C. Section 101(31).

*estimated expenses

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BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS			
Unrestricted Cash and Equivalents	21,927.03	57,573.20	199.49
Restricted Cash and Cash Equivalents *	52,788.92	63,839.02	269,342.15
Accounts Receivable (Net)	93,960.35	23,281.30	45,270.00
Notes Receivable			
Inventories	-	20,200.00	2,000.00
Prepaid Expenses / Deposits	29,293.30	20,141.06	19,239.00
Professional Retainers			
Other Current Assets (attach schedule)			
TOTAL CURRENT ASSETS	197,969.60	185,034.58	336,050.64
PROPERTY & EQUIPMENT			
Real Property and Improvements	1,557,006.53	1,557,006.53	1,557,006.53
Machinery and Equipment			
Furniture, Fixtures and Office Equipment			
Leasehold Improvements			
Vehicles			
Less: Accumulated Depreciation	(167,149.90)	(162,891.47)	(162,705.12)
TOTAL PROPERTY & EQUIPMENT	1,389,856.63	1,394,115.06	1,394,301.41
OTHER ASSETS			
Amounts due from Insiders*			
Asset Retirement Obligations (for GAAP)	18,500.00		
Other Assets (attach schedule)			
TOTAL OTHER ASSETS	18,500.00	-	-
TOTAL ASSETS	1,606,326.23	1,579,149.64	1,730,352.05
LIABILITIES AND OWNER EQUITY			
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)			
Accounts Payable	60,140.78	78,911.40	
Taxes Payable (refer to FORM MOR-4)			-
Wages Payable			
Notes Payable	50,000.00	50,000.00	
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments	64,068.08		
Professional Fees	190,000.00	115,000.00	
Amounts Due to Insiders*			-
Other Post-petition Liabilities (attach schedule)			
TOTAL POST-PETITION LIABILITIES	364,208.86	243,911.40	-
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt	660,000.00	670,000.00	680,000.00
Asset Retirement Obligations (for GAAP)	18,500.00		
Priority Debt			
Unsecured Debt **	376,285.87	348,107.67	348,107.67
Other Liabilities			
TOTAL PRE-PETITION LIABILITIES	1,054,785.87	1,018,107.67	1,028,107.67
TOTAL LIABILITIES	1,418,994.73	1,262,019.07	1,028,107.67
OWNERS' EQUITY			
Capital Stock			
Additional Paid-In Capital			
Partners' Capital Account			
Owner's Equity Account	878,121.80	922,236.93	904,036.93
Retained Earnings - Pre-Petition	(201,792.15)	(201,792.15)	(201,792.15)
Retained Earnings - Post-petition	(488,998.15)	(403,314.24)	
Adjustments to Owner Equity (attach schedule)			
Post-petition Contributions (attach schedule)			
NET OWNERS' EQUITY	187,331.50	317,130.54	702,244.78
TOTAL LIABILITIES AND OWNERS' EQUITY	1,606,326.23	1,579,149.61	1,730,352.45

**Insider" is defined in 11 U.S.C. Section 101(31).

** The amount reflected is a correction from the amount set forth on the first Monthly Operating Report.

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STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	0	0	0			
FICA-Employee	0	0	0			
FICA-Employer	0	0	0			
Unemployment	0	0	0			
Income	0	0	0			
Other: _____	0	0	0			
Total Federal Taxes	0	0	0			
State and Local						
Withholding	0	0	0			
Sales	0	0	0			
Excise	0	0	0			
Unemployment	0	0	0			
Real Property	0	0	0			
Personal Property	0	0	0			
Severance Taxes	0	1,263.25	0			
Total State and Local	0	1,263.25	0			
Total Taxes						

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Current	Number of Days Past Due				Total
		0-30	31-60	61-90	Over 91	
Accounts Payable	60,140.78					
Wages Payable	-					
Taxes Payable	-					
Rent/Leases-Building	-					
Rent/Leases-Equipment	-					
Secured Debt/Adequate Protection Payments	64,068.08					
Professional Fees	190,000.00					
Amounts Due to Insiders						
DIP Loan	50,000.00					
Other: _____						
Total Post-petition Debts	364,208.86					

Explain how and when the Debtor intends to pay any past due post-petition debts.

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	23,281.30
Plus: Amounts billed during the period	90,781.62
Less: Amounts collected during the period	(17,004.50)
Less: Adjustments	(3,098.07)
Total Accounts Receivable at the end of the reporting period	93,960.35

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	93,960.35				
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Accounts Receivable	93,960.35	-	-	-	-
Less: Bad Debts (Amount considered uncollectible)	-				
Net Accounts Receivable	93,960.35				

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	523.98				
31 - 60 days old	739.27				
61 - 90 days old					
91+ days old					
Total Taxes Payable	1,263.25				
Total Accounts Payable					

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS					

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
Washington Federal Bank	10,000.00	10,000.00	700,238.84
Forchelli Deegan Terrana LLP	-	-	23,829.24
TOTAL PAYMENTS		10,000.00	

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		NO
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		NO
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		NO
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		NO
5	Is the Debtor delinquent in paying any insurance premium payment?		NO
6	Have any payments been made on pre-petition liabilities this reporting period?	Yes, secured loan payment	
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		NO
8	Are any post petition payroll taxes past due?		NO
9	Are any post petition State or Federal income taxes past due?		NO
10	Are any post petition real estate taxes past due?		NO
11	Are any other post petition taxes past due?		NO
12	Have any pre-petition taxes been paid during this reporting period?		NO
13	Are any amounts owed to post petition creditors delinquent?		NO
14	Are any wage payments past due?		NO
15	Have any post petition loans been received by the Debtor from any party?	Yes, DIP Loans	
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		NO
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		NO
18	Have the owners or shareholders received any compensation outside of the normal course of business?		NO